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WASHINGTON, DC- U.S. Rep. Charlie Melancon voted today for the Small Business Tax Relief Act of 2007 (H.R. 976), which passed the U.S. House by a strong bipartisan vote of 360 to 45. This tax relief legislation will help small businesses continue to grow and hire new workers to keep the economy strong. It is focused on helping small businesses that will feel the impact of a minimum wage increase the most.

"Small businesses are the bedrock of our towns and communities in south Louisiana, and I am proud to support them by voting for these important tax credits," Rep. Melancon said.

"As a former small business owner, I know how hard it can be to pay the bills and keep your business afloat. These tax credits will help small businesses in south Louisiana grow and expand, providing good jobs for our people and prosperity for our communities."

The Small Business Tax Relief Act of 2007 would help small businesses invest in new equipment and more easily afford large capital expenses. It would extend small business expensing (Section 179) for one year - increasing both the amount small businesses can deduct from their taxes (from \$112,000 to \$125,000) and the number of small businesses that can take these deductions (by increasing the income limits for businesses taking the deduction from \$450,000 to \$500,000).

The bill would extend the Work Opportunity Tax Credit (WOTC) -- which provides incentives to employers to hire individuals from targeted groups that frequently experience barriers to work -- for one year and expand it to cover disabled veterans.

It would enhance the current tip credit for small businesses - by maintaining the current tip credit that small businesses take for the Social Security taxes that they pay on their employees' tips, instead of allowing it to drop with the increase in the minimum wage. The bill would simplify tax filing requirements for businesses owned jointly by husbands and wives, and ensure that small businesses are fully able to claim the WOTC and tip credit against AMT

liability.

Passage of this measure is supported by the Chamber of Commerce, NAM, NFIB, National Restaurant Association, and the Bush Administration.

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